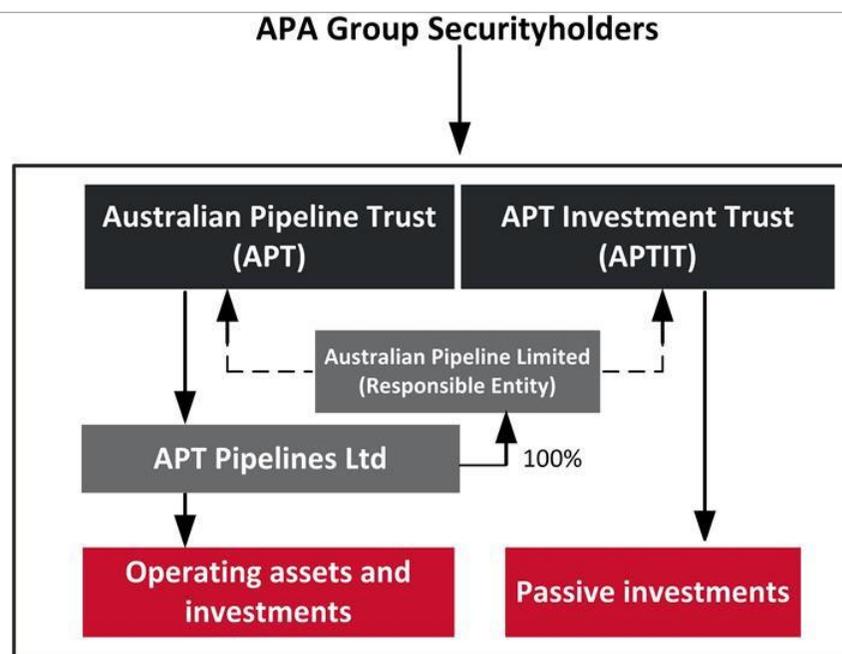


ASIC Regulatory Guide 231 – Infrastructure Entities: Improving Disclosure for Retail Investors

ASIC Regulatory Guide 231 – Infrastructure entities: Improving disclosure for retail investors has set out the following benchmark and disclosure principal requirements for infrastructure entities. A full copy of the ASIC guide can be found on the ASIC website. APA Group’s disclosure against those benchmarks and principles is set out below.

In addition to the management of APA Group, entities within APA Group also hold a number of interests and positions in various infrastructure vehicles. These relationships are fully disclosed in the Directors’ Report and APA Group’s financial statements available on APA Group’s website, www.apa.com.au.

A diagram summarising APA Group’s structure follows:



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Benchmark Disclosure Requirement	2020 Statement	2021 Statement
<p>1. Corporate structure and management Corporate governance policies and practices should conform with the principles and recommendations in ASX Listing Rules Guidance Note 9A <i>“Corporate governance – ASX Corporate Governance Council – Revised corporate governance principles and recommendations”</i>.</p>	<p>This benchmark is met.</p> <p>APA Group publishes a corporate governance statement available on the APA Group website, www.apa.com.au. APA Group also prepares and discloses an Appendix 4G (attached to the corporate governance statement) which sets out its compliance with each of the recommendations contained in the ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations 4th Edition (which has superseded ASX Listing Rules Guidance Note 9A).</p> <p>During 2019, APA Group updated its corporate governance policies and practices to ‘early adopt’ the 4th Edition of the ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations. These updated documents are available on the APA Group website, www.apa.com.au.</p>	<p>This benchmark is met.</p> <p>APA Group publishes a corporate governance statement available on the APA Group website, www.apa.com.au. APA Group also prepares and discloses an Appendix 4G (attached to the corporate governance statement) which sets out its compliance with each of the recommendations contained in the ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations 4th Edition.</p>
<p>2. Remuneration of management Incentive-based remuneration paid to management for the infrastructure entity is derived from the performance of the infrastructure entity and not the performance of other entities within its consolidated group, except where the infrastructure entity is the parent of the consolidated group.</p>	<p>The benchmark is met.</p> <p>APA Group publishes a remuneration report in the APA Group Annual Report available on the APA Group website, www.apa.com.au</p>	<p>The benchmark is met.</p> <p>APA Group publishes a remuneration report in the APA Group Annual Report available on the APA Group website, www.apa.com.au</p>
<p>3. Classes of units and shares All units or shares are fully paid and have the same rights.</p>	<p>This benchmark is met.</p> <p>APA Group securities (ASX: APA) are fully paid ordinary stapled securities, each comprising an ordinary unit in Australian Pipeline Trust (APT) and APT Investment Trust (APTIT), stapled together. All securities rank equally.</p>	<p>This benchmark is met.</p> <p>APA Group securities (ASX: APA) are fully paid ordinary stapled securities, each comprising an ordinary unit in Australian Pipeline Trust (APT) and APT Investment Trust (APTIT), stapled together. All securities rank equally.</p>

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<p>4. Substantial related party transactions</p> <p>Compliance with ASX Listing Rule 10.1 for substantial related party transactions.</p>	<p>The benchmark is met.</p> <p>Securityholder approval would be sought as required under ASX Listing Rule 10.1. for substantial related party transactions between APA Group and entities outside APA Group.</p> <p>APA Group has obtained ASIC relief and an ASX waiver to permit transactions (without the need to comply with the related party transaction requirements of the ASX listing rules or the Corporations Act) between APA Group stapled entities and their controlled entities given that they are part of a group with the same securityholders.</p> <p>Additionally, From 1 December 2019, ASX Listing Rule 10 included an exception (ASX Listing Rule 10.3) where ASX Listing Rule 10.1 does not apply to transactions between APA Group stapled entities and their controlled entities. Accordingly, the benchmark is met.</p>	<p>The benchmark is met.</p> <p>Securityholder approval would be sought as required under ASX Listing Rule 10.1 for substantial related party transactions between APA Group and entities outside APA Group.</p> <p>From December 2019, ASX Listing Rule 10 included an exception (ASX Listing Rule 10.3) where ASX Listing Rule 10.1 does not apply to transactions between APA Group stapled entities and their controlled entities. Accordingly the benchmark is met.</p>
<p>5. Cash flow forecast</p> <p>(a) The infrastructure entity has, for the current financial year, prepared and had approved by its directors: a 12-month cash flow forecast for the infrastructure entity and has engaged an independent suitably qualified person or firm to provide, in accordance with the auditing standards:</p> <ul style="list-style-type: none"> (i) negative assurance on the reasonableness of the assumptions used in the forecast; and (ii) positive assurance that the forecast is properly prepared on the basis of the assumptions and on a basis consistent with the accounting policies adopted by the entity; and <p>(b) an internal unaudited cash flow forecast for the remaining life, or the right to operate (if less), for each new significant infrastructure asset acquired by the infrastructure entity.</p>	<p>This benchmark is met.</p> <ul style="list-style-type: none"> a) A rolling 16-month cash flow projection is prepared and audited annually, with relevant assurances provided by the external auditor and approval by the directors of Australian Pipeline Limited (APL). b) APA Group has not acquired any new significant infrastructure assets in the 12 month reporting period. 	<p>The benchmark is met.</p> <ul style="list-style-type: none"> a) A rolling 16-month cash flow projection of the Responsible Entity (Australian Pipeline Limited) is prepared and audited annually, with relevant assurances provided by the external auditor and approved by the directors of Australian Pipeline Limited (APL). b) Group has not acquired any new significant infrastructure assets in the 12 month reporting period.

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<p>6. Base-case financial model Before any new material transaction, and at least once every three years, an assurance practitioner performs an agreed-upon procedures check on the infrastructure entity's base-case financial model that:</p> <p>(a) checks the mathematical accuracy of the model, including that:</p> <p>(i) the calculations and functions in the model are in all material respects arithmetically correct; and</p> <p>(ii) the model allows changes in assumptions, for defined sensitivities, to correctly flow through to the results; and</p> <p>(b) includes no findings that would, in the infrastructure entity's opinion, be materially relevant to the infrastructure entity's investment decision.</p>	<p>This benchmark is met.</p> <p>Every three years the external auditor is engaged to undertake an agreed-upon procedures engagement on the base case financial model. This is next planned for FY20.</p>	<p>The benchmark is met.</p> <p>Every three years the external auditor is engaged to undertake an agreed-upon procedures engagement on the base case financial model. This has been undertaken for FY20. No issues noted.</p>
<p>7. Performance and forecast For any operating asset developed by the infrastructure entity, or completed immediately before the infrastructure entity's ownership, the actual outcome for the first two years of operation equals or exceeds any original publicly disclosed forecasts used to justify the acquisition or development of that asset.</p>	<p>The benchmark is not applicable.</p> <p>APA Group does not publicly disclose forecasts to justify the acquisition or development of infrastructure assets.</p>	<p>The benchmark is not applicable.</p> <p>APA Group does not publicly disclose forecasts to justify the acquisition or development of infrastructure assets.</p>
<p>8. Distributions If the infrastructure entity is a unit trust, it will not pay distributions from scheme borrowings.</p>	<p>This benchmark is met.</p> <p>Distributions are not paid out of scheme borrowings.</p>	<p>This benchmark is met.</p> <p>Distributions are not paid out of scheme borrowings.</p>
<p>9. Updating unit prices If the infrastructure entity is unlisted and a unit trust, after finalising a new valuation for an infrastructure asset, the infrastructure entity reviews, and updates if appropriate, the unit price before issuing new units or redeeming units.</p>	<p>The benchmark is not applicable to APA Group.</p> <p>APA Group is listed on ASX.</p>	<p>The benchmark is not applicable to APA Group.</p> <p>APA Group is listed on ASX.</p>

ASIC Regulatory Guide 231 – Infrastructure Entities: Improving Disclosure for Retail Investors

“ASIC Regulatory Guide 231 – Infrastructure entities: Improving disclosure for retail investors” has set out the following disclosure principles for infrastructure entities. An overview of the disclosure principles and APA Group response is set out below.

Disclosure Statement	2020 Statement	2021 Statement
<p>1. Key relationships</p> <p>(a) The important relationships for the entity and any other related party arrangements relevant to an investor’s investment decision, including any controlling arrangements, special voting rights or director appointment rights; and</p> <p>(b) For any significant infrastructure asset under development:</p> <p>(i) Key relationships in the development, including any concessionaire, developer, builder, sponsor, promoter, asset manager, independent expert, financier, joint venture party, issuer or manager; and</p> <p>(ii) Key participants that bear material development related risks, including for timing and cost of delivery of the development, procurement and cost of financing for the development, and guaranteeing the performance of other entities.</p>	<p>(a) APA Group’s structure is outlined at the beginning of this document. A further description of the APA Group structure is set out in the Directors’ Report contained in the APA Group Annual Report and APA Group’s Corporate Governance Statement, both of which are available on the APA Group website, www.apa.com.au.</p> <p>No party has any special director appointment rights, controlling arrangements or special voting rights in relation to APA Group.</p> <p>(b) APA Group is undertaking several development projects as outlined in the APA Group Annual Report, available on the APA Group website, www.apa.com.au. All relevant relationships operate under normal commercial terms.</p>	<p>(a) APA Group’s structure is outlined at the beginning of this document. A further description of the APA Group structure is set out in the Directors’ Report and Corporate Governance Statement, both of which are available on the APA Group website, www.apa.com.au.</p> <p>No party has any special director appointment rights, controlling arrangements or special voting rights in relation to APA Group.</p> <p>(b) APA Group is undertaking several development projects as outlined in the APA Group Annual Report, available on the APA Group website, www.apa.com.au. All relevant relationships operate under normal commercial terms.</p>
<p>2. Management and performance fees</p> <p>(a) All fees and related costs associated with the management of the entity’s assets paid or payable directly or indirectly out of the money invested in the entity, providing a clear justification for the fees; and</p> <p>(b) If performance fees are payable, how these fees will be paid – for example:</p> <ul style="list-style-type: none"> • <i>for mature operating infrastructure assets</i> – explain if and how the performance fees will be paid, including whether these fees are payable only from operating cash flow; and 	<p>(a) All fees and costs paid or payable in connection with the management of APA Group are set out in the APA Group Annual Report, available on the APA Group website, www.apa.com.au. The constitutions of APT and APTIT enable APL to charge fees of up to 0.5% per annum of the value of each of APT and APTIT’s gross assets. APL has waived the right to receive these fees to the extent that they exceed APL’s costs as responsible entity.</p>	<p>(a) All fees and costs paid or payable in connection with the management of APA Group are set out in the APA Group Annual Report, available on the APA Group website, www.apa.com.au. The constitutions of APT and APTIT enable APL to charge fees of up to 0.5% per annum of the value of each of APT and APTIT’s gross assets. APL has waived the right to receive these fees to the extent that it exceeds APL’s costs as responsible entity.</p>

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<ul style="list-style-type: none"> • <i>for operating infrastructure assets in a growth phase and development assets</i> – explain how the performance fees will be paid, whether these fees are funded by debt, capital, the issue of securities or otherwise, and the risks to members in paying performance fees in those way. 	<p>(b) APL is not paid any performance fees.</p>	<p>(b) APL is not paid any performance fees.</p>
<p>3. Related party transactions</p> <p>Disclose details of any related party arrangements relevant to the investment decision, including:</p> <ul style="list-style-type: none"> (a) The value of the financial benefit / consideration payable; (b) The nature of the relationship; (c) Whether the arrangement is on arm’s length terms, the remuneration is reasonable, some other Chapter 2E exception applies or ASIC has granted relief; (d) Whether member approval of the transaction has been sought and if so when; (e) The risks associated with the related party arrangement; (f) The policies and procedures in place for entering into these arrangements and how compliance with those policies and procedures is monitored; (g) For management agreements with related parties: <ul style="list-style-type: none"> i. The term of the agreement; ii. If the fee is payable by the infrastructure entity on termination of the agreement, the method of termination that will incur a fee and details on how that fee is calculated; iii. Any exclusivity arrangements in the management agreement; iv. Whether a copy of agreement is available to investors and, if so, how an investor can obtain a copy of the agreement; and (h) any other arrangements that have the potential or actual effect of entrenching the existing management; and (i) For transactions with related parties involving a significant infrastructure asset: <ul style="list-style-type: none"> i. What steps the infrastructure entity took to evaluate the transaction; and ii. If not otherwise disclosed, summary of any independent expert opinion obtained for the transaction and whether, and if so how, an investor can obtain a copy of the opinion. 	<p>The management of APA Group is fully internalised. Accordingly, there are no relevant related party arrangements to disclose in response to this disclosure principle.</p> <p>In addition to the management of APA Group, entities within APA Group also hold a number of interests and positions in various infrastructure vehicles. These relationships are fully disclosed in the Directors Report and APA Group’s financial statements in the APA Group Annual Report, available on the APA Group website, www.apa.com.au.</p>	<p>The management of APA Group is fully internalised. Accordingly, there are no relevant related party arrangements to disclose in response to this disclosure principle.</p> <p>In addition to the management of APA Group, entities within APA Group also hold a number of interests and positions in various infrastructure vehicles. These relationships are fully disclosed in the Directors Report and APA Group’s financial statements in the APA Group Annual Report, available on the APA Group website, www.apa.com.au.</p>

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<p>4. Financial ratios Disclose</p> <p>(a) If target financial ratios have been publicly disclosed, the respective financial ratios actually achieved for the entity and how those target and actual ratios are calculated; and</p> <p>(b) An explanation of what the financial ratios mean in practical terms and how investors can use the ratios to determine the entity's level of debt-related risk.</p>	<p>APA Group does not disclose target financial ratios.</p>	<p>(a) APA revised its distribution policy during FY21 and disclosed a target distribution payout ratio to security holders of approximately 60% to 70% of Free Cash Flow. The distribution payout ratio was 66.7% for FY21.</p> <p>(b) Free Cash Flow is Operating Cash Flow less stay in business (SIB) capital expenditure (SIB capital expenditure includes operational assets lifecycle replacement costs and technology lifecycle costs). The target distribution payout ratio informs the amount of Free Cash Flow that will be distributed to security holders and the amount that will be retained by APA for other funding purposes, for example growth capital expenditure.</p> <p>The target payout ratio has an indirect impact on debt-related risk. The target payout ratio is factored into APA's broader funding strategy, which ensures that there are appropriate funding strategies and debt facilities in place to accommodate the funding of capital expenditure and debt repayments as and when they fall due.</p>
<p>5. Capital expenditure and debt maturities Disclose</p> <p>(a) Planned capital expenditure for the next 12 months and how this expenditure is to be funded; and</p> <p>(b) A breakdown of material debt maturities for the entity, in the intervals set out in the table, on a consolidated contractual basis showing the drawn amount, the undrawn amount, the total drawn and undrawn amount, the percentage of variable interest rate risk, the weighted average interest rate, the percentage of debt that is not limited recourse to a particular asset and whether the debt is fully amortizing or requires principal and interest payments.</p>	<p>(a) Capital expenditure commitments are outlined in the Directors' Report and financial statements in the APA Group Annual Report, available on the APA Group website, www.apa.com.au. APA Group also discloses committed capital expenditure for major projects where the relevant contracts are required to be announced to ASX.</p>	<p>(a) Capital expenditure commitments are outlined in the Directors' Report and financial statements in the APA Group Annual Report, available on the APA Group website, www.apa.com.au. APA Group also discloses committed capital expenditure for major projects where the relevant contracts are required to be announced to ASX.</p>

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	(b) An analysis of debt maturities in the format prescribed by the guide can be found at the end of this disclosure.	(b) An analysis of debt maturities in the format prescribed by the guide can be found at the end of this disclosure.
<p>6. Foreign exchange and interest rate hedging Disclose</p> <p>(a) Any current foreign exchange and interest rate hedging policy for the entity; and</p> <p>(b) Whether the entity’s foreign exchange and/or variable interest rate exposure conforms with its foreign exchange and interest rate hedging policy.</p>	<p>(a) APA Group’s foreign exchange and interest rate hedging policies are disclosed in the Financial Risk Management note in the APA Group Annual Report, available on the APA Group website, www.apa.com.au.</p> <p>(b) APA Group’s foreign exchange and interest rate exposures are in compliance with the relevant policies adopted by APA Group.</p>	<p>(a) APA Group’s foreign exchange and interest rate hedging policies are disclosed in the Financial Risk Management note in the APA Group Annual Report, available on the APA Group website, www.apa.com.au.</p> <p>(b) APA Group’s foreign exchange and interest rate exposures are in compliance with the relevant policies adopted by APA Group.</p>
<p>7. Base case financial model Disclose</p> <p>(a) For acquisitions of a significant infrastructure asset, the following details of an infrastructure entity’s base case financial model:</p> <p>(i) Key assumptions and source of those assumptions;</p> <p>(ii) A confirmation by the directors as to whether or not they consider that the assumptions are reasonable;</p> <p>(iii) Any process the directors undertook to satisfy themselves that the assumptions were reasonable, including if an expert provided an opinion on the model, and if so, provide a summary of that expert opinion;</p> <p>(iv) The agreed upon procedures check that the assurance practitioner has performed to review the base-case financial model (as per benchmark 6) and any findings which are materially relevant to the investment decision; and</p>	<p>(a) Not applicable. APA Group has not acquired any significant infrastructure assets in the last 12 months.</p> <p>(b) Key assumptions in APA Group’s base case financial model likely to have the most material impact are:</p> <p>a. interest rates incurred on corporate debt facilities;</p> <p>b. the forecast volume under gas transportation or storage agreements and the various regulatory access arrangements;</p> <p>c. forecast inflation rates; and</p>	<p>(a) Not applicable. The FY21 Annual Report states that there were no new acquisitions.</p> <p>(b) Key assumptions in APA Group’s base case financial model likely to have the most material impact are:</p> <p>a. interest rates incurred on corporate debt facilities;</p> <p>b. the forecast volume under gas transportation or storage agreements and the various regulatory access arrangements;</p> <p>c. forecast inflation rates; and</p>

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<p>(v) Any conflicts of interest that may arise in either the expert opinion or the agreed-upon procedures check.</p> <p>(b) Up to five of the key assumptions in an infrastructure entity's base case financial model that are likely to have the most material impact</p> <p>(i) On the operating performance of the entity for at least the next 12 months; or</p> <p>(ii) In the case of a development asset, in the first year of operation, demonstrating the impact on the infrastructure and investor entity, if any (and separately if all) of the assumptions were materially less favourable than anticipated.</p> <p>(c) Also disclose:</p> <p>(i) A reasonable estimate of the operating capacity of the entity's significant infrastructure assets;</p> <p>(ii) For any operating asset developed by the infrastructure entity or completed immediately before the infrastructure entity's ownership, any material discrepancies between any publicly disclosed forecasts and the actual performance for the first 2 years of operation; and</p> <p>(iii) Any material discrepancies between the assumptions contained in the infrastructure entity's base case financial model used to raise any debt and the model used to raise any equity, respectively, within six months of each other in the current financial year.</p>	<p>d. the extent to which revenue contracts with major shippers are renewed as they expire.</p> <p>(c) (i) Operating capacity of APA Group's major assets, including its significant infrastructure assets are outlined in a table format in section 4.5 of the APA Group Annual Report, available on the APA Group website, www.apa.com.au. APA Group publishes statistics regarding spare capacity (available on APA Group's website), where its infrastructure assets are not fully contracted.</p> <p>(ii) [APA Group does not publicly disclose forecasts to justify the acquisition or development of infrastructure assets].</p> <p>(iii) Not applicable, as there was no equity raised in FY19. APA Group does not provide any forecasts to prospective or existing lenders other than to repeat those statements which are released to the ASX from time to time under continuous disclosure requirements.</p>	<p>d. the extent to which revenue contracts with major shippers are renewed as they expire.</p> <p>(c) (i) Operating capacity of APA Group's major assets, including its significant infrastructure assets are outlined in a table format in section 4.3 of APA Group's FY21 Annual Report. APA Group publishes statistics regarding spare capacity (available on APA Group's website, www.apa.com.au) where its infrastructure assets are not fully contracted.</p> <p>(ii) [APA Group does not publicly disclose forecasts to justify the acquisition or development of infrastructure assets].</p> <p>(iii) Not applicable, as there was no equity raised in FY21. APA Group does not provide any forecasts to prospective or existing lenders other than to repeat those statements which are released to the ASX from time to time under continuous disclosure requirements.</p>
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<p>8. Valuations Disclose</p> <p>(a) Details on the entity’s valuation policy; and</p> <p>(b) Whether valuations and supporting documentation are available to investors and, if so, how they are made available. If valuations and supporting documentation are not available to investors, the infrastructure entity should provide a summary of the valuations (required for significant infrastructure assets only) containing, at a minimum, the following information:</p> <ul style="list-style-type: none"> (i) Whether the valuation was prepared internally or externally; (ii) The date of the valuation; (iii) The scope of the valuation and any limitations on the scope; (iv) The purpose of the valuation; (v) The value assessed and key assumptions used to determine value; (vi) The key risks specific to the infrastructure assets being valued; (vii) The valuation methodology; (viii) The period of any forecast and terminal value assumptions; (ix) The discount rate used and the basis for calculating this rate; and (x) The income capital expenditure and capital growth rates over the forecast period; and <p>(c) Any circumstances that may result in a conflict of interest arising in the preparation of the valuations</p>	<p>(a), (b) and (c): Key assets of APA Group are recorded at historical cost. Further information in relation to the accounting policies which underlie the APA Group consolidated balance sheet can be found in the financial statements in the APA Group Annual Report.</p> <p>APA Group conducts “<i>value in use</i>” calculations for the specific purpose of testing for the impairment of assets at financial year end as required under Australian accounting standards. These specific purpose calculations do not reflect a market-based valuation and may produce different results to the industry practice for “<i>arms-length</i>” market valuations.</p> <p>APA Group believes that to release the internal calculations or any information in respect of those internal calculations would be potentially misleading to investors and would not benefit their decision-making with respect to an investment in APA Group</p>	<p>(a), (b) and (c): APA Group does not conduct market-based valuations of its key assets for the purposes of recording those assets in the group’s financial statements.</p> <p>Rather, key assets of APA Group are recorded at historical cost. Further information in relation to the accounting policies which underlie the APA Group consolidated balance sheet can be found in APA Group’s website http://apa.com.au/investor-centre/financial-results.aspx assessment by reference to the higher of “value in use” (being the net present value of expected future cash flows of the relevant cash-generating unit in its current condition) and fair value less cost of disposal (utilising comparable market transactions less estimated costs of disposal) for the specific purpose of testing for the impairment of assets at financial year end as required under Australian accounting standards.</p> <p>APA Group believes that to release the internal calculations, comparable market transactions or any information in respect of those internal calculations would be potentially misleading to investors and would not benefit their decision-making with respect to an investment in APA Group.</p>
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<p>9. Distribution policy Disclose</p> <p>(a) The current distribution policy and any rights that the entity has to change the policy;</p> <p>(b) On payment of distributions, the portion attributable to, for example, income, capital and debt; and</p> <p>(c) The risks associated with distributions being paid from sources other than operating cash flow, including the sustainability of such distributions.</p>	<p>(a) APA Group intends to continue to pay distributions from operating cash flow with the view to growing distributions over the longer term. At the time of determining distributions, the Board will have regard to the organic growth and investment opportunities available to APA Group, the ongoing capital markets environment, APA Group’s focus on maintaining its strong investment grade ratings (BBB/Baa2), and its intention to continue enhancing long term securityholder value. APA Group’s distribution policy has been framed in consideration of the need to retain equity in the business to support funding of its significant growth opportunities over the coming years. APA maintains a sustainable distribution policy to ensure its ability to fully fund its distributions on a going-forward sustainable basis, whilst also retaining appropriate levels of cash in the business to support ongoing growth.</p> <p>(b) Payments of distributions are sourced from operating cash flow and are attributed to capital and income in distribution announcements and distribution statements.</p> <p>(c) This is not applicable as APA Group only pays distributions out of operating cash flow.</p>	<p>(a) APA Group intends to continue to pay distributions from operating cash flow with the view to growing distributions over the longer term. At the time of determining distributions, the Board will have regard to the organic growth and investment opportunities available to APA Group, the ongoing capital markets environment, APA Group’s focus on maintaining its strong investment grade ratings (BBB/Baa2), and its intention to continue enhancing long term securityholder value. APA Group’s distribution policy has been framed in consideration of the need to retain equity in the business to support funding of its significant growth opportunities over the coming years. APA maintains a sustainable distribution policy to ensure its ability to fully fund its distributions on a going-forward sustainable basis, whilst also retaining appropriate levels of cash in the business to support ongoing growth.</p> <p>(b) Payments of distributions are sourced from operating cash flow and are attributed to capital and income in distribution announcements and distribution statements.</p> <p>(c) This is not applicable as APA Group only pays distributions out of operating cash flow. Not applicable.</p>
<p>10. Withdrawal policy - Disclose</p> <p>Whether there is a withdrawal policy together with the information outlined in Disclosure Principle 10 in relation to the withdrawal arrangements.</p>	<p>Not applicable to APA Group as APA Group is listed on the ASX.</p>	<p>Not applicable to APA Group as APA Group is listed on the ASX.</p>

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<p>11. Portfolio diversification - Disclose</p> <p>(a) Details on whether the infrastructure entity has a portfolio diversification policy and, if so, details of that policy;</p> <p>(b) The infrastructure entity's actual portfolio diversification position compared to its portfolio diversification policy; and</p> <p>(c) If there is a material variance between the entity's diversification policy and its actual position, an explanation of why the variance exists and the measures being taken to rectify it.</p>	<p>(a) APA Group does not have a portfolio diversification policy.</p> <p>(b) Not applicable.</p> <p>(c) Not applicable.</p>	<p>(a) APA Group does not have a portfolio diversification policy.</p> <p>(b) Not applicable.</p> <p>(c) Not applicable.</p>
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ASIC Regulatory Guide 231 – Infrastructure Entities: Improving Disclosure for Retail Investors

Principle 5 – Debt Maturities

30 June 2020

Year	Drawn (\$m)	Undrawn (\$m)	Total (\$m)	% of variable interest rate risk ¹	Weighted average interest rate ¹	% of debt that is not limited recourse	Fully amortising or principal and interest payments
Up to 1 year ⁽²⁾	300,000,000	100,000,000	400,000,000	0	8.02%	100%	Principal & Interest
Between 1 and 2 years	1,428,373,246	50,000,000	1,478,373,246	0	5.07%	100%	Principal & Interest
Between 2 and 5 years	2,867,542,326	1,150,000,000	4,017,542,326	0	5.40%	100%	Principal & Interest
Greater than 5 years	5,401,337,233		5,401,337,233	0	4.56%	100%	Principal & Interest
Total	9,997,252,805	1,300,000,000	11,297,252,805	0	4.98%	100%	Principal & Interest

Note 1: applicable to drawn debt

Principle 5 – Debt Maturities

30 June 2021

Year	Drawn (\$m)	Undrawn (\$m)	Total (\$m)	% of variable interest rate risk ¹	Weighted average interest rate ¹	% of debt that is not limited recourse	Fully amortising or principal and interest payments
Up to 1 year ⁽²⁾	-	50,000,000	50,000,000	0	0.00%	100%	Principal & Interest
Between 1 and 2 years	-	150,000,000	150,000,000	0	0.00%	100%	Principal & Interest
Between 2 and 5 years	2,132,104,005	1,050,000,000	3,182,104,005	0	4.96%	100%	Principal & Interest
Greater than 5 years	7,555,149,472	-	7,555,149,472	0	4.27%	100%	Principal & Interest
Total	9,687,253,477	1,250,000,000	10,937,253,477	0	4.42%	100%	Principle & Interest